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GRAFFIGNA INTERVIEWED ON DEVELOPMENT OF POLITICAL PROCESS

PY032202 Buenos Aires LA NACION in Spanish 30 Dec 79 pp 1, 12 PY

[Exclusive interview with Argentine Air Force Cdr Omar Domingo Graffigna--date, place not given]

[Excerpts] [Question] Is it possible that there will be a change in the present power structure as a result of the opening included in the armed forces proposals for a political foundation? Will the presidency have greater decision-making power and more independence from the military junta?

[Answer] "The present power structure enforced through the basic guidelines issued by the armed forces commanders on 24 March 1976 appoint the military junta as the supreme government body. The statute for the national reorganization process, moreover, grants the military junta certain specific powers which are inherent to that authority. It grants the executive branch those prerogatives which are necessary to exercise with responsibility the administration of the government.

"What is more, the military junta, in exercising the constituent power, has reserved for itself the authority to guarantee the normal operation of the other government branches and to safeguard the basic objectives to be achieved.

"This is the main reason for the institutional action undertaken by the armed forces when the country was experiencing such a critical situation. This is what insures and will continue to insure the periodic renewal of top government authorities and safeguard the country from the personality cults that led to the previous frustrated military interventions.

"It must be noted that the armed forces made a scrupulous analysis to establish this power structure and that it is the result of solemn commitments made by the armed services among themselves. Any change in this regard will mean an alteration of the basic guidelines. The basis for the political proposal which was recently issued to the country is not intended to modify these basic guidelines."

[Question] On several occasions the members of the military junta used the term "gradualism" to refer to the future political activity of the armed forces; what does this term mean and how will the concept be implemented?

[Answer] "'Gradualism' means that the genuine, representative and federal democracy to which we all aspire will be achieved after certain successive stages are completed. The duration of these stages will depend on their nature and complexity. The political proposal recently issued by the armed forces, the fruitful exchange of ideas between the government and the people, the increasing participation of civilians in public and government office, the necessary and unavoidable reorganization of the present political parties, and the formation of new and strong opinion trends are a perfect example of this purpose. Since all these are interdependent factors they must be achieved in a logical succession, but without any haste or improvisations that may undermine the success of our proposed objective."

[Question] A member of the military junta recently stated that there are certain safeguards to help achieve the aspirations of the national reorganization process and to avoid new frustrations. What safeguards was he talking about?

[Answer] "One of the functions of the military junta as supreme government body is to see that the basic objectives are fulfilled so that the national reorganization process will be able to establish a stable democracy within a representative, federal, republican system.

"It is obvious that the national reorganization process will have been a complete success once the objectives established on 24 March 1976 are achieved. In the course of time the proper modifications called for by the evolution of events may be made.

"As an expression of the will of the armed forces the military junta will insure the effective fulfillment of the basic proposals and objectives. Later, after the citizens are actively participating in the election of government officials, the armed forces--once their participation is duly institutionalized within a legal framework--will look after the enforcement of the Constitution. This is what we mean when we refer to 'safeguard' and it is the basis of the stability to which we aspire."

[Question] It has been said that the next president--for the 1981-1984 term--will be a retired high-ranking armed forces official. Does this mean that the political solution will be revealed during this term and that the president for the next term will be elected in accordance with the laws established in the Constitution?

[Answer] "If you study my answers to the previous questions closely you will see that the prudence with which the supreme government body orients and leads the national reorganization process does not allow it to follow any premature modus operandi and that only time and experience will tell what will be appropriate. What I can tell you is that the appointment of the president, which is an exclusive prerogative of the military junta, will be made in accordance with the regulations established in the basic guidelines issued on 24 March 1976 and the subsequent ones which regulate it.

"This prerogative of appointing the president will continue until after the succeeding stages are completed and the proper time for the citizens to elect him comes."

[Question] Have you decided when you will retire, or are you planning to exercise the command of the air force for the maximum period that is established in the basic guidelines of the process?

[Answer] "A brief term as leader of one of the branches of the armed forces is usually just as harmful as one that is excessively long.

"The military junta regulations establish, therefore, a maximum period of 3 years. This has turned out to be the proper number of years for these functions."

[Question] As commander of the air force you are the top authority in everything concerning national aerospace programs. To what area will you give special emphasis?

[Answer] "I am aware that apart from my delicate tasks as member of the military junta, I am in charge of the orientation, the promotion and the development of one of the most modern areas in the life of men on earth and beyond it. Everything concerning aerospace power is modern, and in today's world, time and modern technology are two indivisible factors.

"Only an aerospace force based on solid and modern technology has enabled Argentines to be present in the air and in space.

"Scientific research and technological development through the proper industries are areas which I oversee and will continue to oversee."

"The air force is a well-known decisive factor in modern warfare, and those who did not realize this at the proper time did so at the cost of their own blood. The air force command will continue to procure the most modern planes and equipment that are demanded by our capability."

CONGRESS, CABINET TO STUDY ACTIONS AGAINST U.S. TIN SALE

PY031835 La Paz Radio Panamericana Network in Spanish 1700 GMT 3 Jan 80 PY

[Excerpt] The members of the Congress leadership and President Lidia Gueiler's cabinet will meet at 2000 today to discuss the repercussions of the sale of strategic tin reserves by the United States. At the meeting various aspects will be studied concerning the measures the two state powers will (?propose) to prevent major harm to the national economy, which is causing concern in all sectors.

Mrs Lidia Gueiler stated that the executive branch will do everything possible to prevent President Carter's decision to (?promulgate) the law on the sale of 35,000 tons of fine tin from having too serious repercussions. She asserted that a special commission will probably be formed to present the Bolivian position to the U.S. Government. She also stated her opinion regarding the social and labor conflicts going on in the country.

Denouncement To Be Lodged

PY040151 Buenos Aires LATIN in Spanish 2317 GMT 3 Jan 80 PY

[By Rene Villegas]

[Excerpts] La Paz, 3 Jan (LATIN)--Bolivia said today that a "serious aggression" against its economy has been perpetrated with the announcement that U.S. President Jimmy Carter had authorized the sale of 35,000 tons of tin from the U.S. reserves. Bolivian Mining and Metallurgy Minister Oscar Bonifaz told LATIN today that a reduction of $1 in the price of tin would represent an automatic $60-million yearly loss for Bolivia.

Tin sales make up 78 percent of Bolivia's total mineral exports and contribute nearly $500 million to the country's shaky economy, the mainstay of which is mining. Minister Bonifaz said today that the effect of the "U.S. aggression" will be very serious for Bolivia at a time when the country is trying to overcome one of its worst economic crisis of this century.

The minister added that the United States has violated article 43 of the fifth tin agreement by disregarding the previous consultation clause, by which member countries should abide before carrying out operations of this nature. He then announced that Bolivia will denounce this violation to the International Tin Council--the highest body which regulates the international tin market--at the meeting of tin-producing countries to be held from 15 to 18 January in London.

Minister Bonifaz also said that Bolivia will not accept any "sales scheduling" of the 35,000 tons, which are part of the 200,000 tons of the U.S. strategic reserves of this mineral.

GUEVARA ARZE TO SEEK PRESIDENCY IN JULY

PY031219 Buenos Aires LATIN in Spanish 0040 GMT 3 Jan 80 PY

[Excerpt] La Paz, 2 Jan (LATIN)--Political sources announced today that former Bolivian President Walter Guevara Arze will be a candidate for president in the forthcoming July elections. Walter Robles, Guevara's close aide and a high-ranking leader of the Authentic Revolutionary Party (PRA) headed by Guevara, told LATIN today that "the candidacy of former President Guevara is a fact that has already been discussed and decided in the party in the last few days." Robles indicated that "the decision made by the PRA is known and has been accepted by Walter Guevara Arze," who is currently president of the National Senate and, therefore, president of the Bolivian Congress.

COMMENTATOR SAYS AFGHANISTAN IS USSR'S VIETNAM

FY031408 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 3 Jan 80 FY

[Newton Carlos commentary]

[Text] By its military intervention in Afghanistan, the Soviet Union has elicited the very same demonstrations of displeasure experienced by the United States over Vietnam, and has placed the United States in a very comfortable position at a difficult moment in its conflict with Iran.

The crisis between the United States and Iran, which has been the focal point of worldwide attention for 6 months, has been relegated to second place. The Soviet intervention in Afghanistan could even hasten the solution of this crisis because Iran is the arena of an Islamic revolution and the Soviets intervened in Afghanistan to protect its regime from the pressure of a rebellion also Islamic in nature, the pressure exercised by rebel Muslims.

In the meantime, the United States is now ready to launch a broad diplomatic offensive pivoted around the Soviet intervention in Afghanistan. President Carter has taken the liberty of telling Soviet leader Leonid Brezhnev that he did not explain to Carter the way things really were, which is tantamount to calling Brezhnev a liar.

Among other reprisals which are being studied in Europe and the United States is nonparticipation in this year's Olympic Games in Moscow. The U.S. is using harsh words [words indistinct] that the Soviet intervention in Afghanistan can only benefit it, because it can hasten the solution of the crisis with Iran and it could well be that the USSR will meet its Vietnam in Afghanistan.

DAILY SAYS RELATIONS WITH U.S. HAVE 'LOST SIGNIFICANCE'

FY032011 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Dec 79 p 4 FY

[By Walder de Goes]

[Excerpts] Relations between Brazil and the United States have remained strictly frozen ever since General Figueiredo took over. Not one observer will be able to pinpoint a single event which caused some significant action within the framework of the relationship in 1979. Some such action is expected, however, and according to all signs the next developments in the Washington-Brasilia dialog will not be in keeping with the projections stemming from analyses made in 1977 and 1978. A pendular movement had been forecast: Geisel had stimulated conflictive issues and made the temperature of the relationship rise to its highest point, and Figueiredo had been expected to put out the fire and reestablish traditional ties. However, this will not happen. The prospects for 1980 seem to indicate a moderate resurrection of antagonism or at least the maintenance of the status quo.

Brazil has lost significance for the United States, and the United States has lost significance for Brazil. In Nixon and Kissinger's golden era Brazil was valued because it seemed that the country would become a power soon, and Brazilian-U.S. relations would provide a foundation for the U.S. foreign policy toward South America. Nixon and Kissinger left, and Carter antagonized Brazil with his human rights and nuclear nonproliferation policy. A few commercial skirmishes and Brazil's decision to reduce its dependence on the United States completed the sequence of events which led to the separation. It was a bad move. The two nations, needing to make a show of political struggle to extol their new national beliefs, chose the wrong time to part ways. Even if Brazilian-U.S. relations are no longer as important as they used to be, they are vital for the broader strategy of the East [as published]. This is why the idea of renewed antagonism is being viewed with caution in Brasilia.

Brazil has given ample proof that it can use its own logic and make its own decisions in world politics. Its attitudes toward Taiwan and Angola in the recent past, and toward the Nicaraguan crisis this year, showed the State Department that Brazil can act in world politics without first making arrangements with its American friends. Thus, since it is no longer a quiet ally or the would-be Latin American leader, Brazil has lost most of its importance for the United States.

The opposite is equally true. The diversification of foreign relations has drastically reduced bilateral trade, relatively speaking. Brazil's decision to implement technological modernization has encountered opposition from the former great ally. The oil problems which inflate the Brazilian foreign debt cannot be solved by the United States and might well demand anti-American attitudes which will please the Arabs and will guarantee a preferential treatment in terms of supply, prices and trade. Thus, in view of all these facts, Brazilian official reasoning is that the United States in no longer vitally important to Brazil. In addition, Brazil has to reorganize its Latin American policy because of the oil problem (Venezuela and Mexico) and its need to open new markets for its exports.

One of the instruments of Brazilian policy for Latin America is obviously the creation of an atmosphere different from that in which Brazil was viewed as a subimperialistic power.

Furthermore, in reorganizing its political system Brazil wants to take advantage of foreign elements, but it also seeks to adjust to domestic policy targets. When Secretary of State Cyrus Vance came to Brazil in 1978 he told me, at the house of the then Ambassador John Crimmins, that the process of political opening in Brazil would be a favorable element in Brazilian-U.S. relations in the sense that it would make more room for cooperation. This idea implied--and when asked about it Vance did not deny it--that a more open political system in Brazil would give U.S. diplomats more opportunity to apply pressure on the Brazilian Government. So now we have the political opening, but we also have the oil crisis and other factors which have drawn Brazil's attention away from its policy toward the United States. There is political opening, but there is also the need to promote domestic nationalism, which according to Brasilia is the factor of national cohesion capable of rebuilding the weak political basis of the regime.

CORRESPONDENT CITES STRONG TIES WITH IRAQ

FY030258 Rio de Janeiro O GLOBO in Portuguese 31 Dec 79 p 14 PY

[By special envoy Fernando Martins]

[Excerpt] Baghdad--Historically, relations between Brazil and Iraq have always been the best possible. We were the first Latin American country in which Iraq opened a diplomatic mission. It is worthwhile noting that all the initiatives for strengthening diplomatic ties since 1967 have come from that government.

It was in 1971 that these relations became solid and were developed within a general atmosphere of great understanding. In that year, when the crisis involving Iraq and its Iraq Petroleum Company [IPC] (multinational) reached its most critical point, and the foreign enterprises stressed that oil purchases made from that country would be considered stolen goods because the government had nationalized the exploration companies, the Brazilian Government committed itself, in a trade agreement signed that year, to purchase, through PETROBRAS [Brazilian Petroleum Corporation], crude oil worth $5 million from the Iraqi state company IPC. Two years later, BRASPETRO [PETROBRAS branch for overseas operations] signed a joint exploration contract with IPC. These two agreements, which have been the recent subject of new negotiations, were made before the final understanding between Baghdad and the foreign companies, and they caused the definitive tightening of ties between Brazil and Iraq.

Today, Brazil's trade interests in Iraq are large. Trade opportunities, the rendering of services, engineering and consultancy are beginning to be the subject of studies and suggestions, and they are leading to the drafting of a more aggressive economic policy regarding that large supplier of oil to Brazil. Iraq, despite preferring direct government-to-government negotiations, offers a large market for Brazilian companies, since INTERBRAS [PETROBRAS international trade corporation] and the Bank of Brazil have become "guarantors." It is the opinion of a Brazilian businessman that Iraq knows what it wants, how it wants it and when it wants it, all within the most correct manner of trade procedures. INTERBRAS and the Mendes Junior construction firm, which is undertaking a $1.2 billion project, are participants in and witnesses to the evolution of trade between Brazil and Iraq.

In the 2 years that it has been functioning, INTERBRAS's office in Iraq has sold Brazilian products amounting to $90 million, without taking into account other operations in which this PETROBRAS subsidiary and the Bank of Brazil have functioned as true guarantors before the Iraqi Government, as was the case of the contract signed by Mendes Junior for the construction of a railroad amounting to $1.2 billion. INTERBRAS, in addition to helping with the export of Brazilian primary products, exercises the role of bondsman in the important contracts signed with private Brazilian enterprises.

QUESTION OF OPENING PLO OFFICE IN BRASILIA STILL UNRESOLVED

PY031459 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Dec 79 p 4 PY

[Text] Farid Sawan, the PLO representative to Brazil, stated yesterday in Brasilia that the nonlegalization of the PLO office "opens new paths for the Zionist campaigns which have been taking place in Brazil during the past 5 months" since his arrival in the country. "I am certain that if the Brazilian Government allows the official opening of an office, the situation will become calm because their immediate objectives--thwarting free information on the Palestinian cause--will end," he said.

On receiving the press in his office yesterday, Foreign Minister Saraiva Guerreiro stated that the subject of opening a PLO office in Brazil has neither been resolved nor forgotten. "The Brazilian Government will make a decision in due time. Judging from the activities of the PLO representative in Brazil, one can clearly see that the official opening of an office is not the crucial point. The most important aspect is Brazil's firm position regarding the Middle East conflict where we defend the discontinued occupation of all territories taken by force, the right to self-determination and the sovereignty of the Palestinian people, the free return of all Palestinians to their fatherland, and the need for the PLO to participate in peace negotiations in the region if there is a real desire for an overall solution to the conflict. Without this specific policy, the presence of a PLO representative in Brazil would be impossible."

LATIN AMERICA, AFRICA TO RECEIVE PRIORITY IN 1980

PY032108 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Dec 79 p 4 PY

[Excerpts] Brasilia--Foreign Minister Saraiva Guerreiro stated yesterday in Brasilia that in 1980 Brazil will continue to pay extra attention to Latin America and Africa in its international relations. He also said that he might take a trip to Africa--after President Figueiredo's visit to Paraguay, Argentina and Chile--to pave the way for a later presidential visit to some countries on that continent.

Guerreiro explained, however, that the Brazilian foreign policy is not discriminatory: "If we are emphasizing our relations with Latin America and Africa it is simply because the opportunities are more numerous in these regions at this moment.

"But we retain the intention of strengthening political, economic and cultural ties with all countries in the world, as long as there is agreement between Brazilian interests and the development of the international situation," he explained.

He added: "A clear example of this situation has to do with petroleum, which is day by day becoming a product of political force. Thus, Itamaraty has been called on to cooperate, more and more, with PETROBRAS [Brazilian Petroleum Corporation], creating an appropriate atmosphere for negotiating purchases and consolidating good relations with alternate suppliers. It is obvious that right now only the Middle East producers are in a position to supply the large quantities of petroleum Brazil needs, and we therefore continue working toward improving our political, economic and cultural relations with those countries."

A reporter asked whether Itamaraty feels that the dependence on Iraqi oil has already surpassed the limits which guarantee the security and tranquillity of the country. The foreign minister did not answer the question directly, limiting himself to explaining that this situation was the result of the urgent contingencies of the international petroleum market and not of Brazil's deciding to depend on Iraq for more than 40 percent of its petroleum imports. "When the Iranian crisis emerged, only Iraq was in a position to substantially increase its export to Brazil."

Saraiva Guerreiro feels that the failure by PETROBRAS in negotiations in Tehran will not have very unfavorable consequences for Brazil. "On the one hand, in 1980 Venezuela will be supplying a little more, and so will China; and Mexico and Angola will also begin exporting to Brazil. The total amount of these new supplies will counterbalance the loss of Iranian exports. On the other hand, PETROBRAS still hopes to resume negotiations with the Iranian Government."

The minister also expressed much optimism regarding the development of relations with Argentina. "Both parties have shown evidence of good dispositions which, supported by their complementing economies, will be able to yield very positive results. He stated that President Figueiredo's visit does not represent the realization but only the beginning of good accords. "It is a political visit which does not aim at concluding agreements, but at reinforcing the good relations. Negotiations will take place normally, without the need to sign everything during President Figueiredo's stay in Buenos Aires. This is only an attempt to develop an awareness of the opportunities to be exploited."

Regarding the U.S. intention to propose economic sanctions against Iran at the International Monetary Fund, Guerreiro said that Brazil had officially received, via an "aide memoire," the U.S. position through the embassy in Brasilia and the Iranian position through the Brazilian Embassy in Tehran. Our representative to the IMF, Alexandre Kafka, had stated that we do not have sufficient data to take a position in this regard. For this reason Brazil will abstain from voting."

Guerreiro also stressed that the fact that Zimbabwe (Rhodesia) issue is moving in a good direction is bringing great satisfaction to the Brazilian Government. "Not only the elimination of a risk to world peace, but also the fact that the countries of the front line--Angola, Mozambique, Zambia, Tanzania and Botswana--are throwing off a heavy burden, and consequently, will be able to release material and human resources for their development, are the causes of real satisfaction for Brazil. The opportunities to make trade and economic cooperation between these countries and Brazil more dynamic will become broader and will yield important dividends for all." Speaking about Brazil's African policy, Guerreiro noted that two chiefs of state in that region have scheduled visits to Brazil: Ahmed Sekou Toure of Guinea and Luis Cabral of Guinea-Bissau.

MANCHETE ANALYZES PARTY REORGANIZATION PROCESS

PY031255 Rio de Janeiro MANCHETE in Portuguese 29 Dec 79 pp 24-26 PY

[By Murilo Melo Filmo]

[Summary] "When it was decided to launch the party reorganization, a military proposal for breaking up the Brazilian Democratic Movement [MDB] was channeled to Congress through the government.

"Military chiefs had reached the conclusion that in view of the direction the country's political evolution was taking, with the radicalization between the opposition and the government, the MDB would draw popular discontent in the next elections.

"It was thus that they suggested to Planalto Palace that it send a message to Congress on the reorganization of parties.

"Another objective of the military sector was that of isolating the MDB radicals and leftists in a separate party. And this objective was achieved with the help of Senator Tancredo Neves and Deputy Magalhaes Pinto, who decided to organize an independent party with the support of MDB moderates and of the National Renewal Alliance [ARENA] dissidents, numbering approximately 80 congressmen at the present time."

"The only surprise for Planalto Palace and the military chiefs was caused by the joining up of leaders such as Senators Franco Montoro and Orestes Quercia and Deputy Ulisses Guimaraes with Mr Miguel Arraes. The tacticians of the presidency had hoped that these three leaders would join Mr Tancredo Neves, who for the government is the only reliable opposition leader for sharing some state governorships in the 1982 elections for governor.

"The government therefore stood firm regarding article 2 of the party reorganization bill doing away with the current parties. The government always considered this article nonnegotiable, whereas the rest of the bill was open to dealings and compromises."

"It is true that the results of this strategy were fully obtained, even regarding the number of parties desired by the government. The opposition has been divided into three irreconcilable factions.

"1. The Social Democratic Party [PDS], which will take ARENA's place, emerged with massive official federal and state support. The ARENAO [popular name given the Social Democratic Party] was born with its seats reduced in the Chamber of Deputies with a loss of 26 deputies and with a loss of 4 senators in the Senate."

"With a bloc of 36 senators the PDS maintains control with an absolute majority in the Senate; not so in the Chamber of Deputies where it has a bloc of 205 deputies--in other words, 6 less than the absolute majority of 211.

"By dividing the opposition into three different segments, each an adversary of the others, Planalto Palace has reserved for itself the right to strike compromises and agreements with any of the three to guarantee the approval by Congress of bills it deems important.

"In order to increase its congressional strength, Planalto Palace has tried to preserve the intraparty subgroup [sublegenda] at the municipal level, since this was defeated in Congress. The only thing the chief of the executive branch could do was exercise his right to veto, thus reestablishing the previous situation in which the intraparty subgroup existed for the election of mayors and senators.

"The political command of the new government party will remain in the hands of Gen Golbery do Couto e Silva and of Minister Petronio Portella, at the executive level, with the direct collaboration of Senator Jose Sarney as PDS national chairman, of Senator Jarbas Passarinho and of Deputy Nelson Marchezan as leaders of the blocs of senators and deputies in Congress.

"With this political-congressional structure, the government will be able in 1980 to undertake the implementation of other steps of its project: The postponement of next year's municipal elections, the adoption of the mixed district vote, the direct election of state governors in 1982, and the indirect election of president in 1984."

2. The PMDB, Brazilian Democratic Mobilization Party, was formed by an alliance between the so-called "nonalined" and the "radicals" of the former MDB [Brazilian Democratic Movement], which this new party will replace. In particular it will include Miguel Arraes. This party is almost sure to win gubernatorial elections in the states of Sao Paulo (Franco Montoro), Rio Grande do Sul (Pedro Simon), Santa Catarina (Jaison Barreto), Parana (Jose Richa), and Goias (Henrique Santillo).

3. The PPB, Brazilian Popular Party, came into being through the merger of dissidents of the former National Renewal Alliance led by Deputy Magalhaes Pinto with the "moderates" of the extinct MDS headed by Senator Tancredo Neves. The congressional blocs of the PPB will have 90 federal deputies and 7 federal senators.

The PPB has a chance of electing governors in the states of Rio de Janeiro and Minas Gerais.

4. The PTB Brazilian Labor Party, which is named after the old Brazilian Labor Party, has so far received the support of a single Senate member, Senator Leite Chaves. This party will have its main base in Rio Grande do Sul where it has a chance to launch its own candidate for state governor. This party has the support of 25 federal deputies. Leonel Brizola, who is the leader of this party, has said: "We attach no importance to the fact that we failed to secure the required support of 48 congressmen, because we have always thought that the PTB must find its support in the streets, the factories and the labor unions. We do not want to form a party of leaders, but a part of the grassroots."

The number of federal congressmen will continue to be the same, that is, 66 senators and 420 deputies. The difference is that Congress will be divided among four parties into blocs made up of 36 senators and 105 deputies for the PDS, 22 senators and 100 deputies for the PMDB, 7 senators and 90 deputies for the PPB, and one senator and 25 deputies for the PTB.

BRIEFS

TRADE DEFICIT EXPECTED--Foreign trade experts believe that the trade balance will show a deficit of at least $2.8 billion this year. Imports are estimated to be around $18 billion and exports around $15 billion. The experts indicate that this would be in line with a tendency observed since the beginning of this decade and which worsened as a result of the oil crisis. [Rio de Janeiro O JLOBO in Portuguese 30 Dec 79 p 22 PY]

FOREIGN MINISTRY ASKS UN TO RESOLVE AFGHAN CRISIS

PA040417 Paris AFP in Spanish 0348 GMT 4 Jan 80 PA

[Text] Lima, 3 Jan (AFP)--The Peruvian Government today asked the United Nations to seek a solution to the Afghanistan crisis.

The Foreign Ministry issued the following communique:

The Government of Peru views with concern the evolution of events in Afghanistan which have led this country to a situation that could determine the deterioration of international peace and security.

Consequently, the Government of Peru considers it most urgent that the member nations of the United Nations take the appropriate steps to reduce tensions in the area, abstain from actions that could aggravate such a delicate situation and cooperate in the guest for immediate normalization.

Therefore, the Peruvian Foreign Ministry has proceeded to instruct its representative in the United Nations to help the organization achieve the objectives mentioned.

NEW NAVY MINISTER-JUNTA MEMBER SWORN IN

PA032240 Madrid EFE in Spanish 2340 GMT 2 Jan 80 PA

[Text] Lima, 2 Jan (EFE)--Vice Adm Juan Egusquiza Babilonia was sworn in today Wednesday before President Gen Francisco Morales Bermudez as new navy minister, which makes him a member of the nation's governing military junta. Earlier he had been confirmed as commanding general of the navy.

The governing junta is made up of the commanding generals of the army, air force and navy.

Egusquiza replaces Vice Adm Carlos Tirado Alcorta, who has retired because of age limitations.

The new minister held the post of navy chief of staff, a post which was assumed today by Vice Adm Francisco Mariategui Angulo, former fisheries minister.

BOLIVIAN FOREIGN MINISTER SIGNS ANDEAN DOCUMENT IN LIMA

PA040234 Quito Cadena Ecuador Radio in Spanish 2300 GMT 3 Jan 80 PA

[Text] Lima--Bolivian Foreign Minister Julio Garret arrived here at noon in order to sign the constituent instrument of the Council of Foreign Ministers of the Andean Group.

"I am pleased to visit a sister nation with which, with our common past, we can open a great future for ourselves and for our peoples," he added tersely during a news conference. The foreign minister talked to newsmen at Jorge Chavez International Airport after being welcomed by his colleague Arturo Garcia y Garcia.

The other foreign ministers of the Andean Group, Colombia, Ecuador, Peru and Venezuela, signed the document in the second week of December and only the signature of Bolivia was needed to make it official.

STUDENTS CLASH WITH GUARDSMEN IN ANTISHAH DEMONSTRATION

20 Students 'Seriously' Wounded

PA031724 Panama City Radio Mia Network in Spanish 1642 GMT 3 Jan 80 PA

[Statements by unidentified National Institute student--live]

[Text] Good morning. Once more we have to thank Radio Mia for allowing us to use their microphones to report to the Panamanian people on events which occurred today in our school. This morning we were holding classes normally. About 0845 students from the Richard Neumann and Remon Cantera schools came to take refuge in our school. They had staged a peaceful demonstration at 0800 against the arrival of the shah. When they were advancing along Central Avenue near the Tropical Theater the National Guard repressed the demonstration and disbanded the students. The students ran to take refuge in our school. We, as students who are supporting them, opened our doors. The National Guard was not using gas masks and tear gas bombs, but light- and heavy-caliber weapons and shooting pellets. More than 20 students were seriously wounded. They are in the Santo Tomas and social security hospitals.

We want to state that this not a coincidence. We are 100-percent sure that the government wants to close our school. They are well aware that they cannot let the National Institute remain open on 9 January, because we will commemorate that date. This year that date has been made a mockery through the Torrijos-Carter treaties.

Further Reportage on Demonstration

PA031755 Panama City Domestic Service in Spanish 1700 GMT 3 Jan 80 PA

[Text] Student demonstrations against the former shah of Iran were resumed today. High school students in this capital today resumed protest demonstrations against the arrival of the former shah to our country on 15 December 1979. A group of students from Jose Remon Cantera and Richard Neumann high schools located in the zone of Paitilla, held meetings this morning in their respective schools and then staged demonstrations along Balboa Avenue. The demonstrators marched to Via Espana toward Central Avenue shouting slogans against the presence of the former shah in our country.

The students, aware of the presence of National Guard units in Central Avenue and H Street sought refuge in the National Institute which was holding regular classes; students there joined the students from the Jose Remon Cantera and Richard Neumann high schools and took over the streets around the National Institute.

On noting the presence of National Guardsmen near their school, a group of students started throwing stones while the leaders tried to control the situation asking them to return to school. Members of the National Guard under the command of Maj Julian Melo were forced to push the students back to the school to prevent the obstruction of traffic and commercial activities in that sector of downtown. Once inside the school, a group of students continued throwing stones and other objects into the street until members of the National Institute Red Cross went to the street to talk to Major Melo and to put an end to the hostilities.

Major Melo reached an agreement with the students, promising that no reprisals would be taken, once the students left the school in an orderly fashion and went home. The students left by the back door along Martyrs Avenue while the National Guard units left the area aboard their trucks. Although there were no violent incidents against stores nor any commercial enterprises, activities in the area next to the National Institute were totally paralyzed and traffic obstructed.

National Guard Reports Wounded

PA032019 Panama City Circuito RPC Television in Spanish 1800 GMT 3 Jan 80 PA

[Excerpts] Early this morning students from the Richard Neumann and the Jose Remon Cantera schools in the Paitilla area took to the streets in a peaceful demonstration to protest the presence in Panama of Mohammad Reza Pahlavi, the former shah of Iran.

The toll of this morning's disturbances, as reported by the National Guard office in the emergency room of the Santo Tomas Hospital, was 23 students affected by tear gas and one National Guardsman injured in the head by rocks thrown by the students. However, the injuries are not serious.

Today is the first day of student demonstrations against the shah following the reinitiation of classes after a short end-of-the-year vacation. The U.S. Embassy today has been under heavy security by National Guard units.

COMMENTARY CITES PANAMANIAN LAWS PREVENTING SHAH'S EXTRADITION

PA040254 Panama City Televisora Nacional in Spanish 2315 GMT 3 Jan 80 PA

["Analisis de la Noticia" by Mario Velasquez]

[Excerpts] The ex-shah's presence in Panama poses an important legal question to our government in view of the extradition request filed by the Government of the Islamic Republic of Iran through its permanent UN mission which delivered a note to the Panamanian UN mission asking the Foreign Ministry to hand over the former Iranian monarch. The Iranian Government's request is improper and in fact it is one step ahead of the request that should have been filed following a number of legal requirements set forth in international conventions on extradition and Panamanian Law No 44 dated 22 November 1930 which stipulates the procedure for considering and granting extradition.

It is obvious that, if the shah is tried in Iran, he will be found guilty and executed. Therefore, given these circumstances the Panamanian Government could not extradite him. It should be noted that since there is no bilateral extradition treaty between Panama and Iran, Panamanian laws and international extradition conventions would apply. Those include the American countries' extradition convention which precisely establishes the principle that a request for extradition will be decided pursuant to the internal laws of the state receiving the request, Panama in this case.

I have opposed Panama's granting political asylum to Shah Mohammad Reza Pahlavi and I have said so. But my view of the Panamanian laws on extradition tells me the government has a number of legal elements in its hands that would permit it to deny the extradition request not only because the request is deficient and improper but also because there are deep reasons in Panamanian law that make it very difficult to extradite the ex-shah.

MINISTER NOTES U.S. FAILURE TO PAY CANAL-EARNED REVENUE

PA040239 Panama City Televisora Nacional in Spanish 2315 GMT 3 Jan 80 PA

[Excerpt] The Panamanian Government had planned to earn $12.3 million in revenue as a direct result of the entry into force of the Torrijos-Carter treaties in the last quarter of 1979. However, the U.S. Government still has not paid the obligated sums. This fact, which affected the budget plans of President Aristides Royo's administration, was disclosed this afternoon shortly after a working lunch between Planning and Economic Policy Minister Gustavo Gonzalez and local newsmen.

The press meeting was held to analyze the current budget of the nation. During the meeting Minister Gonzalez reiterated that his year's budget, including the work of the autonomous agencies, will total 2 billion balboas. That matches the 2.4 billion balboas in revenue drawn from the national economy. He said, however, that the total value of the government activities planned for 1980 is only 25 percent of the gross national product.

ROYO INTERVIEWED ON BUDGET, CABINET, DOMESTIC POLICY

PA040345 Panama City RPC Television in Spanish 2300 GMT 3 Jan 80 PA

[Exclusive interview with Panamanian President Aristides Royo by Manuel Santamaria Llamas; date, place not given--recorded]

[Text] [Question] I hope I am not being untimely; many people are waiting for you, Mr President. It had been announced that you were going to announce the 1980 budget. However, it was not possible. We would like to know why.

[Answer] We decided that the report would be presented by the minister of planning and economic policy and the minister of the presidency. I understand that they reported to the nation last Thursday on the budget, pointing out the salient points. In time, and in a programmed and systematic way, we are going to make some announcements to the nation about the 466 million [balboa] investments, where these investments are going, the 10,000-balboa programs for the corregimiento representatives, wage increases for public servants, which are included in the budget. All of these announcements will be made within the next few days. It is therefore their duty to make this type of announcement.

[Question] There is also concern over the situation of Minister Ahumada. It was reported in the press today that he is going to study in California, in the United States. Have you thought who is going to succeed Minister Ahumada in government and justice if this report is true?

[Answer] The first thing you have to do is to ask Minister Ahumada if it is true he is going away to study. But we have not yet thought of a successor. I have no knowledge yet that Minister Ahumada is going to resign. I believe that this was filtered to the press, but I have no knowledge of this.

[Question] Mr President, there has also been talk of a Cabinet crisis in 1980. Is there any truth to this?

[Answer] No. No Cabinet crisis is foreseen. In our government there are no Cabinet crises generally, unless there is a crisis within the government. As I pointed out at the General Council of State, there is not going to be a general change of ministers, but only the changes that a president makes every now and then to adjust his Cabinet. But there is no Cabinet crisis, nor is there any reason for one.

[Question] That is formidable, Mr President. However, there is also concern over what happened to the Canal Authority. Can you tell us what is going to happen to the personnel and the officials and how is the study, advice and coordination of the sea-level canal going to be conducted?

[Answer] I believe that the Canal Authority, as the autonomous entity it was, fulfilled its mission, which was to organize all of us in the government, the Panamanian administration, for our entry into the Canal Zone. Once the Canal Zone ceased to exist, the concept of Canal Zone, once the various services were assumed by the various entities... [Royo changes thought].

That is, the problem of water in the former Canal Zone, in that area, must be attended by the National Institute of Aqueducts and Sewers; the problem of the streets must be dealt with by the Ministry of Public Works; the problem of health must be attended by the Ministry of Health; therefore, it is no longer justified to keep an entity which was used only to prepare us to enter the Canal Zone. Now that we have entered this area and assumed the services and the legal functions we now need a coordination mission so that all these services will operate properly. And this is the transformation we are making in the Canal Authority, without producing all those dismissals the people were thinking of because a large part of the maintenance personnel, for example, remains in maintenance and they continue to render other services. The only thing is that the different entities will have responsibility over the services which by law they must render.

[Question] In your experience after 1 year of mandate, Dr Royo, how do you see the year 1980 for the citizens and for your government?

[Answer] Well now, it is a year that will have good and bad aspects. It is a year in which prices in the world are going to rise. It is a year in which we will have to continue to be at the mercy of oil price hikes and all increases in oil prices affect national economies. They affect plastics, transportation, industries, the cost of transportation, supplies, fertilizers, practically everything that moves in this nation. The energy problem, the problem of bank interests, when there is a problem in Afghanistan or a problem in any other country--all of this has an effect on the world, and of course on Panama. The world economic problem is felt in Panama.

On the other hand, we have some good things. First, the needed austerity measures are being taken. This will be explained later when the budget is explained. Second, those of us who rule this country are aware that whatever severe measures must be taken have to be taken. If we prepare ourselves well, taking the proper measures and adopting others, we can somewhat resist this storm which not only the year 1980, but the decade of the 80's, possibly will be. You can see this, for example, when we outlined the national alcohol program. If all Panamanians dedicate ourselves to planting 200,000 new hectares of sugarcane we will have resolved the Panamanian fuel problem for a good number of years and we will not have to buy fuel from Venezuela or Ecuador and we will not depend on the prices of the oil-producing countries. That is why if all we Panamanians develop our food resources--and this has to do with the farm development minister--we will withstand the world food crisis of the 80's because we have our meat, our yuca, our rice, our beans, our fish and we will have the basic foods for the diet of the Panamanians. If we grow more, if we produce more, if we preserve natural resources, Panama, with its 1.8 million inhabitants, with this world communications center we have here and with more production, we will fare well. And let there be peace.

Thank you for not asking me about the shah. [laughter]

GOVERNMENT, JUSTICE MINISTER TO BE TRANSFERRED

PA030234 Panama City Televisora Nacional in Spanish 2315 GMT 2 Jan 80 PA

[Excerpts] The Supreme Court today threw out the suit of unconstitutionality presented against Adolfo Ahumada, minister of government and justice. The court decision was given in spite of the abstention of Magistrates Marisol Reyes de Vasquez, Ricardo Valdez and Laos Santizo. The Supreme Court decision implies that it has not decided on the constitutionality of Minister Ahumada's appointment because it cannot state if he is a Colombian or a Panamanian. The matter must be decided at the circuit courts. It was learned this afternoon from official sources that there will be no Cabinet changes in the Panamanian Cabinet except for the transfer of Government and Justice Minister Adolfo Ahumada to consul general in San Francisco, California. The name of Ahumada's replacement has not been revealed. All the other ministers will remain at their posts.

COFFEE CROP BEING AFFECTED BY RUST DISEASE

FL022109 Kingston Domestic Service in English 2030 GMT 2 Jan 80 FL

[Text] The Inter-Regional Foreign Health Agency has announced that 20,000 (hectares) of coffee were being affected by rust in Central America.

In El Salvador, the minister of agriculture, (German Fonseca), has called on the people to cooperate in an effort to avert the disease and he said the government had set aside a special fund for financing eradication programs against the fungus. Mr (Fonseca) has said that all abandoned coffee trees, especially those in the central highlands, will be destroyed and all persons and vehicles passing through the affected zones will be sprayed. In addition, he said a supervision system will be established in the most exposed areas with the setting up of quarantine centers.

Both Costa Rica and Nicaragua, which border El Salvador, have also reported damage to coffee crops by rust disease. Other crops such as cane and bananas have also been affected by smut and other diseases.

BELIZE

DEFENSE FORCE OPERATIONAL READINESS NOTED

FL040150 Belize City Domestic Service in English 0100 GMT 4 Jan 80 FL

[Excerpts] The Belize Defense Force (BDF) is today observing its second anniversary. The force was established on January 1st 1978.

A release from the BDF commander says the past year has seen a general raising in operational readiness of the force which has taken delivery of a large range of weapons, vehicles and radio equipment. Significantly, the force now has 81mm mortars that will provide effective firepower.

The way ahead for 1980 is for the force to continue improvement for both the regular force and the volunteer elements. Much more time will be spent by the force on exercises and training for jungle warfare, and the release says more members of the force will attend courses overseas.

The regular force marked the day by inviting families and friends to (Price) Barracks for a force parade, sports and lunch.

EL SALVADOR

FURTHER REPORTAGE ON GOVERNMENT RESIGNATIONS

Four Ministers Refuse To Resign

PA032046 Paris AFP in Spanish 2027 GMT 3 Jan 80 PA

[Text] San Salvador, 3 Jan (AFP)--The Salvadoran Cabinet resigned today because the army rejected their ultimatum presented last night. The Cabinet had demanded that the armed forces come out publicly in favor of the democratization they had promised on the day following the 15 October coup d'etat which overthrew the extreme right regime headed by Gen Humberto Romero. The army said yesterday the ultimatum was unacceptable, but emphasized it was willing to make the promised reforms.

Only four ministers refused to resign. They are the justice, finance, economy and defense ministers.

The outgoing Cabinet members have the support of two of the civilian members of the government junta, which is made up of three civilians and two moderate young colonels.

El Salvador is in a total crisis.

Further Resignations Expected

PA032216 Paris AFP in Spanish 2123 GMT 3 Jan 80 PA

[Text] San Salvador, 3 Jan (AFP)--Today's resignation of the entire Cabinet except four ministers added a full-fledged political crisis to the serious problem of violence that El Salvador has been experiencing for several months.

The Cabinet was chosen the day after the coup d'etat that toppled President Humberto Romero's regime in October. The coup was staged by the Salvadoran Army's young, moderate wing. The Cabinet resigned to protest an apparent turn to the right by the military.

The committee appointed by the government junta to investigate the disappearances of political prisoners also announced its intention not to pursue its work.

The committee consisted of three independent attorneys and was supposed to inquire into the possible existence of secret prisons and the disappearance of about 400 political prisoners.

It is also expected that two of the three civilian junta members, Guillermo Ungo and Roman Mayorga--who backed the Cabinet's decision--will also resign at any minute.

Thus, the junta would comprise only Col Adolfo Majano, Col Abdul Gutierrez and civilian Antonio Andino, representative of the private sector. The Cabinet had asked for the latter's resignation.

The Cabinet also wanted the armed forces to come out publicly and clearly in favor of democratization as promised following the fall of General Romero's extreme right regime. The Cabinet was made up of mostly Christian Democratic Party members.

The armed forces regarded the Cabinet's ultimatum as unacceptable but stated their willingness to continue pursuing the promised reforms.

Since October, political violence has claimed over 300 deaths and the extreme leftwing organizations have announced that they will pursue their struggle.

Two Civilians in Junta Resign

PA040112 Panama City ACAN in Spanish 0054 GMT 4 Jan 80 PA

[Text] San Salvador, 3 Jan (ACAN-EFE)--Guillermo Manuel Ungo and Roman Mayorga Quiroz resigned from the revolutionary government junta tonight out of solidarity with the Cabinet and other ranking officials who resigned today.

The junta is thus composed only of Col Adolfo Arnoldo Majano, Col Jaime Abdul Gutierrez and Mario Antonio Andino.

Ungo represented the so-called "Peoples Forum" and Mayorga Quiroz represented Catholic and university groups.

ACAN-EFE learned from official sources tonight that both had resigned as was rumored since early today.

Urgent consultations are underway at the presidential house to choose their replacements. ACAN-EFE was told that they may be an "independent" and a "Christian Democrat."

Three Junta Members Remain

PA040222 Buenos Aires LATIN in Spanish 0142 GMT 4 Jan 80 PA

[By Adrian Aldana]

[Text] San Salvador, 3 Jan (LATIN)--The Salvadoran civilian-military government established 80 days ago collapsed today after the massive resignation of the civilian authorities, thus catapulting the military sector to power.

Presidential palace sources indicated that two of the three civilians who were part of the five-member civilian-military government junta as well as all but one Cabinet member submitted their resignations from their respective posts to protest against military intervention in labor disputes and an alleged turn to the right imposed in the government policy.

The only rulers who remained in their positions are Mario Andino and Cols Adolfo Arnoldo Majano and Jaime Abdul Gutierrez, members of the junta, and Col Jose Guillermo Garcia, defense minister. It was reported that the situation here is tense after all the resignations although no unusual troop movements have been reported.

The present political crisis is the worst that El Salvador has faced since the government headed by Carlos Humberto Romero was overthrown by a coup d'etat carried out on 15 October and replaced by the government junta.

Resigning Ministers Present Document

PA040204 Paris AFP in Spanish 2356 GMT 3 Jan 80 PA

[Text] San Salvador, 3 Jan (AFP)--The ministers and high-ranking officials who resigned their posts and joined three Cabinet members who had already made this decision, emphasized today that the armed forces had leaned to the right, thereby preventing the process of change and democratization begun on 15 October in El Salvador.

The outgoing ministers blame the existing difficulties on the lack of political definition on the part of the armed forces and the government whose mistaken interpretation of the term pluralism had allowed reactionary forces allied to the great oligarchy to participate in the administration. They also said the government made no decision to approach the people's movements whose importance, they reassert, cannot be disregarded any longer in El Salvador.

When they presented their irrevocable resignation to the government junta, Foreign Minister Hector Dada, Presidency Minister Ruben Zamora, Public Works Minister Raul Valiente, Health Minister Ruben Somavia and Planning Minister Alberto Harth, accompanied by several deputy secretaries and directors of public institutions, published a document whose main paragraphs say the following: "We have, in 2 months of work, begun a process never seen before in Salvadoran history."

It suffices to mention the implementation of several measures which cannot be postponed, such as the nationalization of foreign trade of coffee and sugar, the appointment of a commission to investigate the disappearance of politicians, the beginning of an agrarian reform with the freezing of the transfer of large land holdings, the mobilization of international support in political and economic terms which were formerly denied in El Salvador by the dictatorial nature of the preceding administrations and the adoption for the first time of a foreign policy tending to link us more closely to the nonalined movement.

All this, the outgoing ministers said, has aroused the ire of the oligarchy and its allies.

The high-ranking officials reasserted in the document their conviction that it is possible to implement in El Salvador a political project based on a real alliance between the armed forces and the people. This project will implement profound reforms that will put an end to economic, political and social injustice suffered by the Salvadoran people and which will allow the growth of an organized people's participation.

In particular, they conclude, we refer to the respect for human rights, the effective democratization of the social communications media, the implementation of a profound agrarian reform, the nationalization of the banking and financial system, the organization of rural workers, labor reforms that redefine worker-employer relations and other reforms in the field of health, housing and education.

PDC, JUNTA CONSULT TO FORM NEW GOVERNMENT

PA040411 Panama City ACAN in Spanish 0337 GMT 4 Jan 80 PA

[Text] San Salvador, 3 Jan (ACAN-EFE)--The Salvadoran Christian Democratic Party [PDC] is in consultation tonight with the government junta in a search to reorganize the junta after the resignation of two of its members and all [as received] of the Cabinet ministers. The entire Cabinet submitted its resignation tonight to the civilian-military junta headed by Cols Arnoldo Majano and Jaime Abdul Gutierrez. Almost simultaneously, and in solidarity with the resigning Cabinet ministers, Guillermo Manuel Ungo and Roman Mayorga Quiros resigned as junta members.

Among the PDC personalities involved in the talks with what is left of the junta is reportedly Antonio Morales Erlich, leader of the party and former presidential candidate for a coalition of opposition parties in the 1976 elections. That election was won by Col Carlos Humberto Romero, who was overthrown last November by Majano and Gutierrez.

DIPLOMATIC CORPS APPEALS TO FPL TO RELEASE SOUTH AFRICAN ENVOY

PA032331 Paris AFP in Spanish 1700 GMT 3 Jan 80 PA

[Text] San Salvador, 3 Jan (AFP)--The diplomatic corps in San Salvador appealed today to the Farabundo Marti Popular Liberation Forces [FPL] to release 67-year-old South African Ambassador Archibald Dunn, who was kidnaped last November 28.

The appeal repeats the offer made by the South African consul to El Salvador, Ernesto Gallono, to act as a go-between in the negotiations with the kidnapers.

The FPL had demanded as a condition for the release of the hostage that the Salvadoran press publish two proclamations on 26 and 27 December and that the press in 102 countries publish it before January 15.

The kidnapers had threatened to kill the hostage if their conditions were not met. However, Archibald Dunn was still alive on 31 December and wrote a letter to his family.

Meanwhile, South African Dr Christian Barnard, heart transplant pioneer, offered to operate on whatever Salvordans the FPL organization requested in exchange for the ambassador's liberation.

A Salvadoran doctor, known for his leftist leanings, Rodolfo Jimenez Barrio, asked today to be operated on by Barnard.

FPL CALLS FOR LEFTWING FORCES UNIFYING EFFORT

PA040024 Panama City ACAN in Spanish 1729 GMT 3 Jan 80 PA

[Text] San Salvador, 3 Jan (ACAN-EFE)--The clandestine "Farabundo Marti Popular Liberation Forces" [FPL] today, Thursday, called on all revolutionary organizations of El Salvador to open the way for "a unifying effort" in the new stage of the people's development.

Last night, Wednesday, Juan Chacon, secretary general of the leftwing "People's Revolutionary Bloc" (BPR), made a similar appeal in view of the crisis affecting this violence-stricken Central American nation.

In a communique issued today, the FPL analyzes the various aspects of the delicate situation in the country and calls on "sister organizations" to enter into a joint process of rapprochement, cooperation, mutual assistance and coordination, to bring about greater unity in all levels, "in the advance toward the victory of the people's revolution to socialism."

The FPL also invites workers and peasants to concentrate their actions against what they call "repressive forces," the oligarchy and Yankee imperialism.

The clandestine organization, operating for the past 10 years in El Salvador, implies in the document that "the black fascist forces predominant within the armed forces" have evidenced their hatred against the people's aspirations.

It also notes that the present Cabinet crisis facing the government was to be expected.

Three armed organizations, the "FPL," the Armed Forces of National Resistance (FARN) and the Revolutionary People's Army (ERP), as well as other leftwing organizations, have been fighting separately in this country to gain power through the use of arms.

All efforts for unity have failed so far.

There has been no immediate reaction from the other leftwing entities to the appeal made today by the illegal FPL for the search of general unification.

FPL REPORTEDLY SEIZES FIVE RADIO STATIONS, AIRS MESSAGE

PA032012 Paris AFP in Spanish 1927 GMT 3 Jan 80 PA

[Text] San Salvador, 3 Jan (AFP)--Members of the clandestine Farabundo Marti Popular Liberation Forces (FPL) today seized five local radio stations.

The FPL occupied the radio stations to broadcast to the nation what they termed a revolutionary New Year's message, in which they made an appeal for national insurrection. The FPL also urged all Salvadorans to join the prolonged peoples war and to join their ranks. Until recently, their group had been virtually unknown.

The radio stations seized were Radio Sonorial, Radio Cadena Central, Circuito (?YSR), Radio Sonora and Radio 1080.

HONDURAS

OAS TO REMAIN ON BORDER WITH EL SALVADOR DURING 1980

PA040246 Panama City AC'N in Spanish 1709 GMT 3 Jan 80 PA

[Text] Tegucigalpa, 3 Jan (ACAN-EFE)--The minister of foreign relations of Honduras today announced here that the governments of El Salvador and Honduras have decided to extend the presence of OAS military observers on their common border all this year. The decision was made so that the calm at the border area will continue until a general peace treaty is signed to end the differences that separate the two countries, which severed relations in 1969 when their armies clashed in a war that lasted 100 hours.

The observers arrived at the Honduran-Salvadoran border in October 1977 when both armies again faced each other in an artillery duel and exchange of rifle fire. The observers got the troops to withdraw 3 km inside their territories, thus creating a demilitarized zone into which only they enter.

Operation costs of the observers are absorbed equally by the nations in conflict. The exact amount is not known, but it is believed to be more than $1 million a year.

AIR FORCE HELICOPTER FIRED ON FROM NICARAGUAN TERRITORY

PA030445 Paris AFP in Spanish 0119 GMT 3 Jan 80 PA

[Text] Tegucigalpa, 2 Jan (AFP)--A Honduran Air Force helicopter was machinegunned today from Nicaraguan territory as it flew over the town of Cifuentes, in Honduran territory, it was unofficially reported here today.

The aircraft was carrying a medical brigade to Honduran towns on the Nicaraguan border when 30-caliber machineguns fired on it from that neighboring country, according to reports heard here.

There were no casualties in the incident, but the aircraft was badly damaged in the rear. It is not known yet if the government will protest to the Nicaraguan authorities.

NICARAGUA

COMMANDER DANIEL ORTEGA DENOUNCES U.S. COUNTERREVOLUTIONARY

PA032015 Managua Radio Sandino in Spanish 1800 GMT 3 Jan 80 PA

[Text] Comdr Daniel Ortega Saavedra, member of the Sandinist National Liberation Front's National Directorate and of the government junta, denounced U.S. citizen Richard (Marvin's) sabotage of the state's fishing companies in Bluefields.

(Marvin), who has lived in Bluefields for the past [figure indistinct] years and was a close collaborator of Somozism, tried to bribe the sailors of the boats (?Star King), [words indistinct] so they would take these (?boats) to the United States.

The revolutionary attitude of these Bluefields sailors made it possible for the Sandinist People's Army stationed in the area to capture (Marvin), who has been turned over to the local authorities.

CREATION OF COMMUNICATION COUNCIL PROPOSED

PA040320 Panama City ACAN in Spanish 2331 GMT 2 Jan 80 PA

[Text] Managua, 2 Jan (ACAN-EFE)--The government disseminators [divulgadores estatales] who recently participated in a special seminar have suggested to the government that it create a communication revolutionary council.

The goals of this council would include keeping the national and international public informed on the progress of the Nicaraguan revolution.

According to the plans, the council would be made up of the Secretariat of Propaganda and Political Education of the Sandinist National Liberation Front, the spokesmen and disseminators of government organizations and decentralized entities.

In addition, the council would be made up of disseminators of the popular organizations, the army, the newsmen's associations and the workers of the radio and television stations.

The elements which will be part of this council have been invited to an assembly which will be held on 12 Jan in this capital. The council in question will be formed on that date.

ECONOMIC REACTIVATION PLAN GOALS FOR 1980 SET

PA031941 Managua Radio Sandino in Spanish 0300 GMT 3 Jan 80 PA

[Excerpts] The revolution plans to hire 90,000 workers to solve the unemployment problem. [Words indistinct]. Our economic promotion plan takes into consideration the giving of basic goods to Nicaraguans, that is to say rice, beans and corn. This year out of every 100 bags of grains consumed, 60 will be produced at home and the rest will have to be brought from abroad. Our goal is to give our people 6.8 million quintals of staple foods.

In regards to the import of agricultural products because of the need to obtain foreign currency, the following goals will be established. We expect to plant between 770 and 225,000 [figures as heard] manzanas of land. We expect to produce some 1.2 billion quintals of coffee and the goal for sugar is 55 million quintals.

[Passage indistinct] The state will invest 1.23 billion cordobas financed from foreign resources. It will also spend 3.6 billion cordobas in administration and will cover foreign debt service for 300 million cordobas. This means that if we want to have income amounting to 3.32 billion cordobas we will have to cover this fiscal deficit of some 900 million cordobas.

How will we cover this debt? Revolutionary Comdr Henry Ruiz Modesto explains that this deficit will be covered by declaring death on inflation and bureaucratization and by exercising austerity.

[Begin recording] Austerity is the discipline that our people must impose on themselves, that all of us must impose on ourselves as a necessary means of helping in this national economic emergency.

Austerity must be observed at all levels of the national life. Private initiative will, undoubtedly, be the most affected by this climate of austerity. The limitation of luxury items and the reduction of currency for the purchase of [unnecessary] items at this stage of national emergency will affect the private sector's lifestyle.

The working class--our workers and peasants--also has its austerity program within the 1980 reactivation plan. It will be necessary to fulfill labor rules and discipline, which will lead to a greater yield at work sites. [end recording]

WHEELOCK DISCUSSES PRODUCTION, AGRARIAN REFORM

Moderation, Sacrifice Demanded

PA031737 Managua Domestic Service in Spanish 0330 GMT 3 Jan 80 PA

[Text] Cdr Jaime Wheelock, farming and livestock development minister, accompanied by Manuel Coronel Kautz, National Agrarian Reform Institute (INRA) director; Angel Navarro Deshon, INRA Finance Department deputy director; and INRA Deputy Director Salvador Mayorga Sacasa, held a news conference at noon today in which he explained the reasons for merging or placing INRA under the Farming and Livestock Development Ministry.

Commander Wheelock said 1980 is going to be a year of work, moderation and sacrifice in which the Nicaraguan people, united around the Junta of the Government of National Reconstruction and its vanguard, the Sandinist National Liberation Front, will make great efforts on behalf of the nation's economic development and solving its most urgent problems.

Commander Wheelock added that the plan to reactivate the economy is necessary to solve the problems caused by inflation and unemployment. We are also going to promote agricultural and industrial production to overcome the economic and social destruction left by long years of Somozist dictatorship, Wheelock told newsmen.

Wheelock explained the separation between the Farming and Livestock Development Ministry and the INRA was creating some problems, mainly those related to the agrarian reform policy and to the coordination of agricultural activities which are fundamental for the country's development.

When he referred to the problem of unemployment, Commander Wheelock said it had traditionally been a problem throughout the country's history which affected between 30 to 40 percent of the economically active population. He added that the destruction of factories and farms had also contributed to increasing the problem. To counteract this situation, we are going to create employment in a spectacular way, Commander Wheelock indicated. First we are going to rehabilitate the factories that were destroyed. This will create new construction jobs, Commander Wheelock pointed out. Further on he said cotton production, which usually employs 150,000 workers every year, is going to be given full attention.

According to Commander Wheelock the goal this year is to employ 90,000 persons until the new production program starts producing results.

Finally he told newsmen that when agricultural and industrial production are normal again, the problem of unemployment will be solved.

Landownership Policy Described

PA031738 Managua Domestic Service in Spanish 0330 GMT 3 Jan 80 PA

[Excerpt] Cmdr Jaime Wheelock, farming and livestock development minister, told newsmen at a news conference of the government's plans to review its landownership policy. Basically, he said, it will consist of seeing that the land is put into production by those who own it; otherwise, the government is going to try to acquire land not under production. However, he added, we hope that landowners will donate to the state the land they are not using as a contribution to the country's reconstruction.

Commander Wheelock said small farms will be reorganized into cooperatives through a program which will require education, training propaganda and time.

LAND RENT CONTROLS, REQUIREMENTS ESTABLISHED

PA032156 Managua Radio Sandino in Spanish 0300 GMT 3 Jan 80 PA

[Text] The Junta of the Government of National Reconstruction issued a decree today establishing a 300-cordoba limit for the rent of a manzana of farm land. The decree was issued to halt speculation by landowners. Besides defending the peasant's rights, our government intends to increase production in order to meet the country's demand for basic cereals.

The decree also determines that the rent will be charged according to the type of land and its condition. The decree also states that at the end of the season any lands which have remained idle will be seized by the government and rented to private individuals who want to participate in the country's productive effort.

39 SUSPECTED SOMOZISTS RELEASED FROM PRISON

PA242046 Panama City ACAN in Spanish 1709 GMT 24 Dec 79 PA

[Text] Matagalpa (Nicaragua), 24 Dec (ACAN-EFE)--A total of 39 persons who had been arrested pending their investigation for any connections with the Anastasio Somoza regime were freed here today. With the release of these 39, the number of prisoners of revolutionary justice released this month has increased to 140.

The first group was released in Leon, where 71 were freed after being investigated. Later on, 30 Somozist prisoners were released in Carazo Department south of this capital. Today, the authorities of Matagalpa in northern Nicaragua released another 39. In Managua, at least 100 persons charged with common crimes were also released from the city's prisons.

Meanwhile, some 7,800 persons are waiting to go before 12 revolutionary courts created by the government last month. The special courts have been recessed for the Christmas holidays.

SOVIET OFFICIALS HEAD COMMEMORATION OF REVOLUTION

FL040041 Havana Domestic Service in Spanish 0000 GMT 4 Jan 80 FL

[Text] Nikolay Baybakov, deputy chairman of the USSR Council of Ministers, and Kirill Il'yashenko, deputy chairman of the USSR Supreme Soviet Presidium, today headed the most important ceremony held in Moscow in commemoration of the 21st anniversary of the Cuban revolution.

Cuban Ambassador Severo Aguirre; pilot-cosmonaut Lt Gen Vladimir Shatalov, president of the Soviet-Cuban Friendship Association; and Antonio Nunez Jimenez, Cuban vice minister of culture; attended the ceremony. Nunez Jimenez made the closing remarks.

MPSP EXPRESSES SOLIDARITY WITH SOVIET PEOPLE

FL031923 Matanzas Domestic Service in Spanish 1700 GMT 3 Jan 80 FL

[Text] On the occasion of the 57th anniversary of the founding of the Soviet Union the Cuban Movement for the Peace and Sovereignty of the Peoples [MPSP] has sent a message to its Soviet counterpart in which it expresses solidarity with Lenin's people. Likewise, it acknowledges the proved fraternal and inextinguishable friendship existing between the Cuban and Soviet peoples.

CENTRAL COMMITTEE MEMBER MEETS WITH ROMANIAN COMMUNISTS

FL031908 Matanzas Domestic Service in Spanish 1700 GMT 3 Jan 80 FL

[Text] Jesus Montane, member of the PCC Central Committee and chief of its Foreign Relations General Department, has received (Maris Guitulica), member of the Romanian Communist Party Central Committee, and (Ilie Stefan), member of the Romanian Communist Party Central Auditing Commission, who are visiting Cuba in fulfillment of the exchange program of our two parties. The talks were held in a cordial and friendly atmosphere.

AGREEMENTS SIGNED WITH NORDIC COUNTRIES FRIENDSHIP GROUPS

FL030144 Havana Domestic Television Service in Spanish 0100 GMT 3 Jan 80 FL

[Text] An agreement between the Cuban Institute for Friendship with Peoples [ICAP] and Cuban Association of Friendship With Nordic Countries and associations of friendship with Cuba in Finland, Sweden and Denmark was signed this afternoon in the presence of Jose Ramon Fernandez, vice president of the Council of Ministers, and Pedro Chavez, president of the Havana Province People's Government. Jorge Gallardo Fernandez of the ICAP and Dr (Eduardo Bernabe Ordaz), first vice president of the Cuban Association of Friendship With Nordic Countries, signed the agreement for Cuba. (Rika Tanev), secretary general of the Finnish-Cuban Friendship Association, signed for Finland; (Irene Sederhon), member of the National Directorate of the Swedish-Cuban Friendship Association, signed for Sweden, and (James Larken Elkin), member of the National Directorate of the Danish-Cuban Friendship Association, signed for Denmark.

(Mogens Munk), ambassador of the Kingdom of Denmark in Cuba, and (Maris Sorsa), cultural attache of the Republic of Finland's embassy in Cuba, attended the signing ceremony.

The signing of these three agreements expand the ties of friendship and solidarity that exist between these organizations which have been operating in the Nordic countries since the 1960's offering their support for the Cuban revolution.

CARICOM GOVERNMENT HEADS AGREE TO HOLD SUMMIT

FL032025 Bridgetown ADVOCATE-NEWS in English 28 Dec 79 p 1 FL

[By Mohamed Hamaludin]

[Excerpt] Georgetown, Guyana, 27 Dec (CANA)--All 12 countries of the Caribbean Community [CARICOM] have agreed to attend a meeting of heads of government, and Secretary General Dr. Kurleigh King today reaffirmed his hope for such a summit session early in the new year.

He told a news conference here that the passing year was one of "revival of the momentum" of the integration movement, and he predicted that the coming year would be a year of consolidation and "the beginning of an operational community".

He pinned much hope on two new devices which were recently agreed at ministerial sessions for a "permanent monitoring mechanism" to watch over balance of payments problems and send out early warning signals", and a "regional stabilisation fund" to aid countries which experience such problems.

He said this amounted to "a redesigning of the community's approach to balance of payments problems", following a "tailspin" caused partly by restrictions placed on imports by two member countries, Guyana and Jamaica.

Dr. King, who was reviewing events over the past year, the first full year he has been in office, also announced that senior Jamaican civil servant, Roderick Rainford, has been named deputy secretary general and will assume duties here February 1, while Guyanese Archie Moore has been confirmed in the post of director of functional cooperation.

CARICOM SECRETARY GENERAL DISPLEASED WITH OUTCOME OF CANADIAN MEETING

FL032020 Bridgetown ADVOCATE-NEWS in English 28 Dec 79 p 3 FL

[Text] Georgetown, Guyana (CANA)--Caribbean Community [CARICOM] Secretary General Dr. Kurleigh King today expressed disappointment with the outcome of a recent first meeting of officials of the community and Canada, to hammer out specific areas of cooperation under a CARICOM-Canada agreement signed last January.

He said the CARICOM team which visited Ottawa for the talks in November had the impression that Canadian officials were "hedging on several issues".

This he felt could have been the result of a change of government in Canada this year.

"We came away feeling a little disappointed," he said.

He added that the recent parliamentary defeat of the new Joe Clarke administration and calling fresh elections for February next year meant theuncertainty would continue for some time.

Dr. King said the CARICOM team had hoped for very firm statements for the Canadians on such issues as the level of financial aid from Canada to CARICOM over the next several years, access to Canadian markets for CARICOM good such as garments, and identifying the institutional arrangements for industrial cooperation.

Dr. King, speaking to a news conference, also expressed disappointment with the outcome of the negotiations for a successor agreement to the Lome convention between the African-Caribbean-Pacific [ACP] and the European Economic Community [EEC].

He said nobody in the group was slated at the outcome, and he singled out the US $6.5 billion--5.2 billion European units of account [EUA] provided in the new convention for aid to the ACP states.

CARICOM'S KING PREDICTS GREATER POLITICAL POWER FOR REGION

FL032010 Bridgetown SUNDAY ADVOCATE-NEWS in English 30 Dec 79 p 3 FL

[Text] Georgetown, Guyana, 29 Dec (CANA)--Secretary General of the Caribbean Community [CARICOM], Dr Kurleigh King, has predicted that the political power of the region will be increasingly felt in international forums.

He told a news conference here that the region had already made "tremendous impact" through its united stand, in the Organization of American States [OAS] and other groupings, while in the region there was the beginning of a new era in which member countries were becoming more mature.

Dr King was answering questions on the community's role in what was expected to be heightened political interests within the region in the coming year and the decade of the 1980s.

He said that during the decade now ending, many CARICOM countries had not been independent, and as more and more of them achieved independence and control over their own affairs, the exercise of sovereignty became much more important in their dealings with one another.

He added that he saw this "vividly" during a CARICOM foreign ministers meeting in Barbados this year.

Dr.King said that the issues facing foreign ministers of the community were now of two levels: those concerned with CARICOM's relations with the outside world and those related to political relationships among member states.

He said only the former was anticipated when the Committee of Foreign Ministers -- an institution of the community -- was established, and this area was "going very well".

"I think that in all cases where we wanted to put up a united front and where a united front was very important, we have done so and we have made a tremendous impact in the OAS because of our united stand.

"I think that the OAS understands now the power of the Caribbean and this power of the Caribbean in terms of the votes in exercises will be increasingly felt in the international forums of the world", Dr King said.

Asked whether this was understood also by the United States -- an OAS member and "big brother" of the region -- Dr King said the Americans would have seen the way CARICOM operated at the last OAS General Assembly meeting in Bolivia.

"They would have seen and taken note. They are very shrewd observers. I think they would understand", he said.

The Barbados-born secretary general, who has just completed a full year in office, said he did not think when the foreign ministers committee was established it was clearly visualised that the ministers would have to deal also with issues related to the community's political relationships with one another.

"It was at the meeting in St. Lucia that we began to see foreign ministers dealing with one another as foreign ministers of independent countries and dealing with issues that would have to be dealt with when one independent country deals with another independent country", he said.

He added that the region was "relatively inexperienced" in this area, and in the past "we have tended to scream at one another through the media, perhaps to be rather impetuous and to deal with one another without the same courtesy, in some instances, as we would deal with foreign ministers of countries outside of the region."

"I think we are seeing the beginning of an era now where we are becoming more mature as independent countries, we understand our role as sovereign nations, and we are, I think, going to be dealing with each other in the future with dignity, with courtesy, recognising our differences, recognising sometimes that the differences will not be resolved, and that they will remain, but yet showing respect for each other's point of view and cooperating with each other within that framework," Dr King said.

JAMAICA

MANLEY SAYS HUNGARY DID NOT WITHDRAW FROM ALUMINUM DEAL

FL032035 Kingston DAILY GLEANER in English 31 Dec 79 p 1 FL

[Text] The prime minister has said that Hungary did not really withdraw from his alumina deal with Jamaica but rather Jamaica had asked that country not to exercise its offer to buy Jamaica alumina.

In an interview with RJ [Radio Jamaica] which was broadcast yesterday, Mr Manley said that Hungary had come in to fill the breach after Mexico pulled out of the JAVEMEX project. He said that the Hungarian offer was better than nothing but that Hungary did not really need alumina and would be buying the 150,000 tons from Jamaica in order to resell on the world market.

He added that Jamaica's alumina was already being sold on the world market through Alpart, Alcan and Alcoa, and so there was no real advantage in the Hungarian arrangement. But it was nonetheless an offer which was appreciated.

When therefore Iraq agreed to buy 150,000 tons of alumina for its proposed smelter this was a better offer as it was to be used directly by Iraq and not resold. Jamaica therefore asked Hungary not to take up its offer.

Mr. Manley did not, however, give the details of the deal with Iraq, including price and so on, nor give the terms of trade with Hungary,and the interviewer did not ask.

RATTRAY HAS NOT YET RESIGNED AS ATTORNEY GENERAL

FL031953 Kingston Domestic Service in English 1830 GMT 3 Jan 80 FL

[Text] Justice Minister Carl Rattray has not yet taken up active duty as the minister of labor. JBC news understands that there is growing uncertainty as to whether he will actually assume duties in his new portfolio. The former labor minister, William Isaacs, has already begun to function in his new capacity as minister of industry and commerce.

When contacted by JBC [Jamaica Broadcasting Corporation] news Mr Rattray declined to comment. He is still placed in the Ministry of Justice and has not yet resigned as attorney general although there has been active discussions on a replacement. Mr Rattray's assignment to the Ministry of Labor was part of a recent reshuffle of the Cabinet in which the Labor Ministry was merged with the justice portfolio.

CHILE

GOVERNMENT ISSUES COMMUNIQUE ON SOVIET AFGHAN POLICY

PA040420 Santiago Chile Diplomatic Information Service in Spanish 0325 GMT 4 Jan 80 PA

[Communique released by Chilean Foreign Ministry on 3 January 1980]

[Text] The Chilean Government has cosponsored a request today by several UN members for the Security Council to hold an immediate meeting to study the Soviet military aggression in Afghanistan and its consequences for international peace and security.

The armed attack on that Asian, Islamic and nonalined nation shows that the USSR Government has initiated a new aggressive, expansionist policy, regardless of the reaction of the international community, which it views as weak and divided. In recent years, the USSR resorted to military intervention in the African Continent, never appearing as being directly involved but using Cuban troops. Now it has marshaled its own military might to change the Kabul government by force, impose a pro-Soviet regime and, in collusion with it, occupy Afghanistan.

Doubtless Soviet aggression has taken advantage of the chaotic conditions existing in the region for which the USSR is largely responsible. As part of its political and ideological objectives, the USSR hopes to project its influence into the Persian Gulf area and its oil deposits.

The Chilean Government believes that all these events which threaten world peace and security should lead the United Nations to adopt a firm collective reaction defending (?the right of nonintervention) in the internal affairs of any state, supporting the sovereignty of the people of Afghanistan and denouncing the Soviet Union.

MEXICO

PEMEX INCREASES PRICE OF OIL TO $32 PER BARREL

PA030334 Madrid EFE in Spanish 0310 GMT 3 Jan 80 PA

[Text] Mexico City, 2 Jan (EFE)--It was officially reported today that the state-owned Mexican Petroleum [PEMEX] increased the price of a barrel of oil for export to $32. PEMEX director Jorge Diaz Serrano made the announcement here indicating that the new price is effective the first quarter of 1980. He noted that the price may be reviewed at any moment in view of the uncertainty in the world market for oil.